



***Building on a Firm Foundation:
The Conuma Story***



**September 28, 2017
Mark Bartkoski, President
Conuma Coal Resources**



Brule Mine Re- Opening Day

Sept. 22,
2016

***“BUILDING ON A FIRM
FOUNDATION”***

THE CONUMA STORY

WHO IS CONUMA?

- ❖ **Stand-alone Canadian coal company formed in 2016**
 - **Headquarters in Tumbler Ridge, B.C.**
 - **Three assets in Peace River Coalfield**
 - **Corporate office in Vancouver, B.C.**
- ❖ **Founded by individual coal-industry veterans and investors who saw opportunity in late 2015 when metallurgical coal market conditions and asset values were unsustainably low**
 - **Acquired assets in N.E. British Columbia in September 2016 when many N.American coal producers were in reorganization**
- ❖ **AMCI joined as an investor in September 2016**

THE ASSETS



Brule

- **Premium** ultra low volatile pulverized coal injection (**PCI**) product.
- **Low sulfur and low phosphorous**
- Trucked to Willow Creek CHPP/loadout for processing and shipping.
- Brule began operations **September 22, 2016**.
- **+2.5M tonnes production annually (tpa)**



Wolverine

- **HCC 64 type mid-volatile**
- **Low sulfur, low-phosphorous**
- Began mining Q1 2017. Production rate 1.7M tpa
- Tumbler Ridge rail submain rehabilitation completed August 2017; product now ships by rail to Ridley Terminal.

Willow Creek

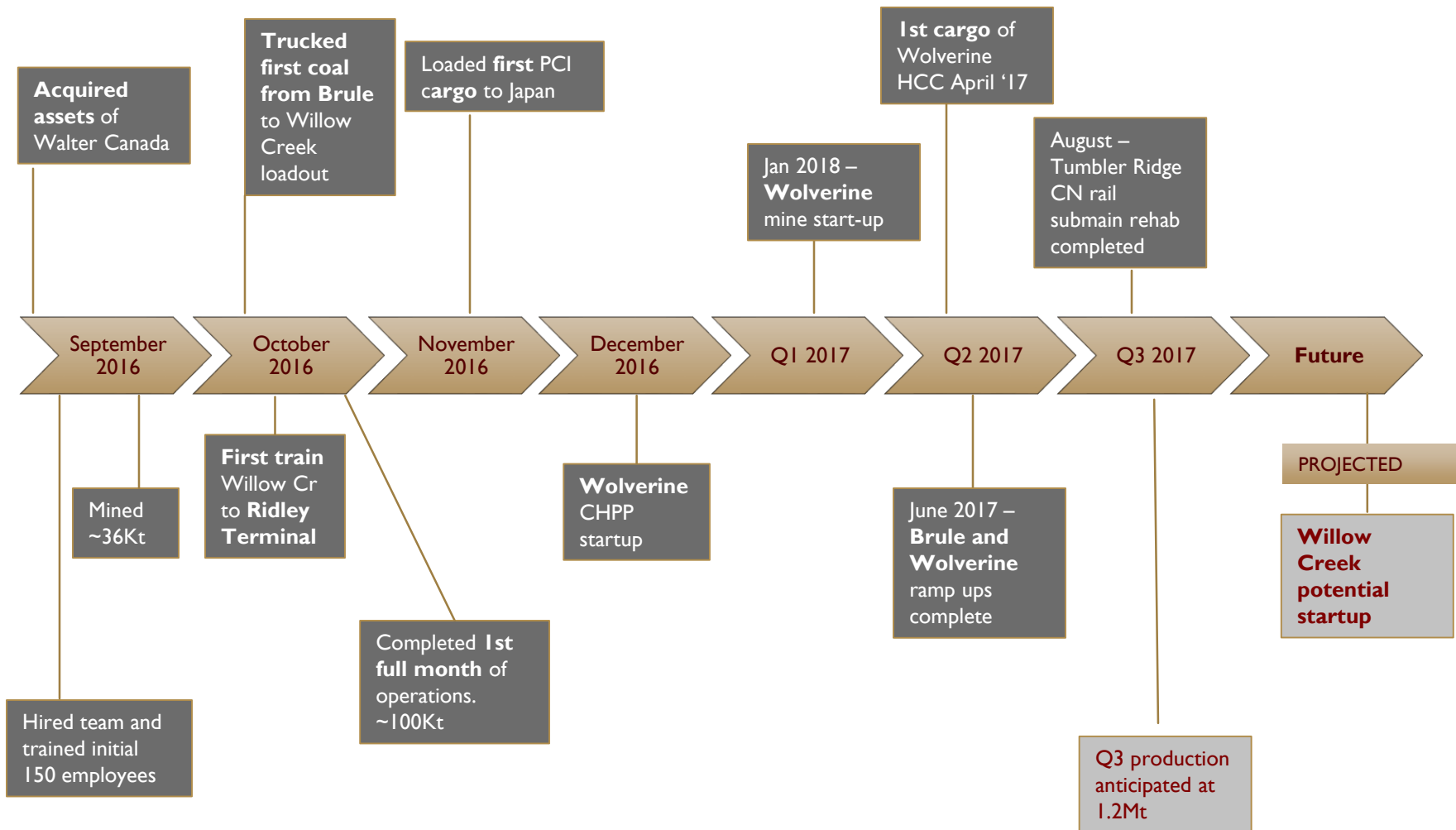
- S.W. of Chetwynd, B.C.
- **High CSR (+70) Mid-vol HCC** in evaluation for re-start of operations in 2018.
 - ▣ Premium ULV PCI produced at Willow Cr.
- Existing CHPP, rail loadout, all required infrastructure on CN main line makes Willow Cr **low-capital intensity** re-entry for 1.5M tpa

LOCATION MAP/TRANSPORTATION

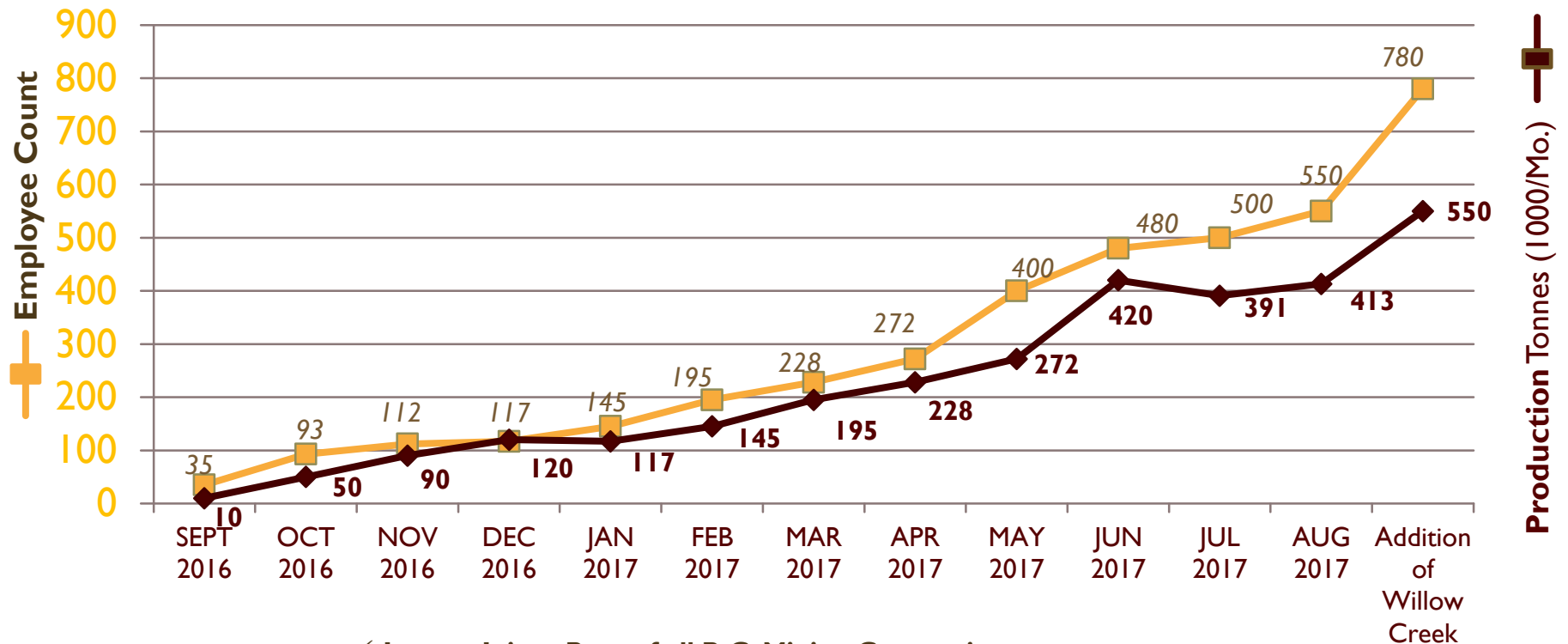


- Assets located in Peace River Coalfield (“PRC”) of N.E. British Columbia
- Only coal producer operating in PRC
- 600 mile CN rail corridor from PRC to Ridley Terminal

KEY MILESTONES



PEOPLE DRIVING RESULTS



- ✓ Lowest Injury Rate of all B.C. Mining Companies
- ✓ Hired and trained +500 employees in Year I
- ✓ +3.0M tonnes produced 2017 (Up to 6.0Mt capacity possible in 2018 with addition of Willow Creek)
- ✓ +200 Trains Loaded
- ✓ +40 Vessels Loaded

WHAT MAKES CONUMA UNIQUE?

I. Loss Prevention Business Model

- ✓ Injury
- ✓ Violation
- ✓ Downtime
- ✓ Rework/Waste



WHAT MAKES CONUMA UNIQUE?

1. Loss Prevention Business Model
2. Integrity Process Development Plan



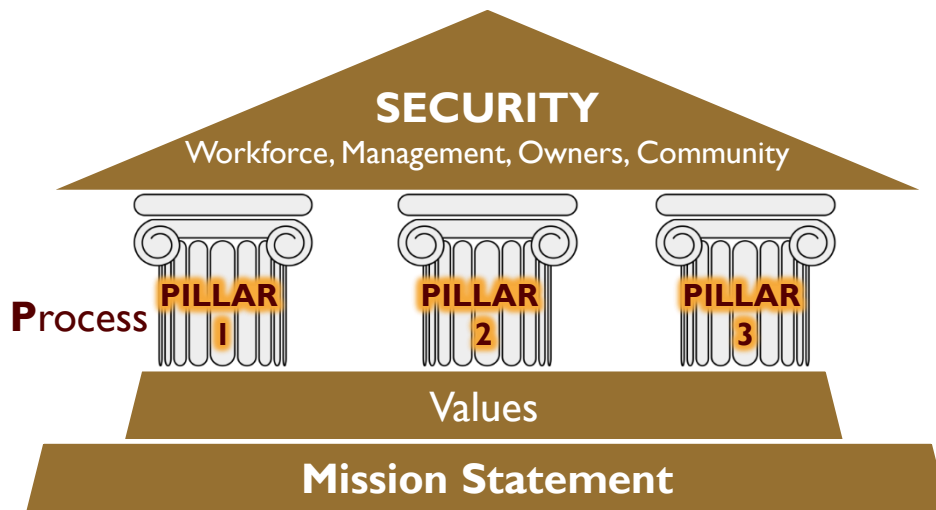
Mission Statement:

Conuma Coal Resources was founded to be a contributor, positive influence and supporter to our community. We are committed to earning security for all of our partners, and to unifying resources and people to build a “first class” organization recognized for character and true integrity.

WHAT MAKES CONUMA UNIQUE?

1. Loss Prevention Business Model

2. Integrity Process Development Plan



- Transformation Plan – MVP
- Process Refinement - GRM
- Employee Empowerment - RAC

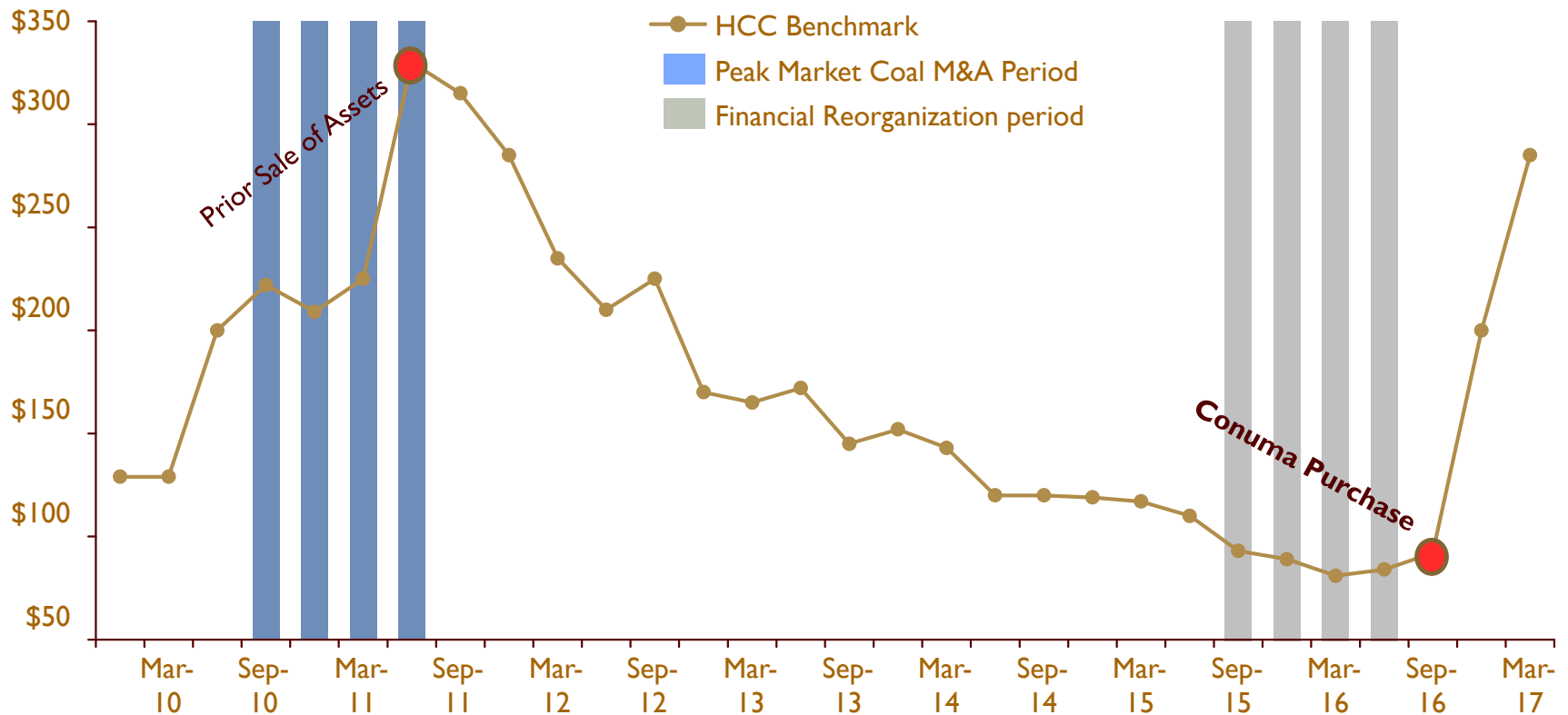
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WHAT MAKES CONUMA UNIQUE?

3. Maximizing Opportunities

✓ Market Timing



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- ✓ Market Timing
- ✓ Operating/Technical Improvements
 - Focus on Total Quality Management

Blend Coal – mine separate coal seam layers, homogeneous blending



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 - Cast/Dozer Push Overburden Removal

Cast Blast



D-11 Dozer Push



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- ✓ Market Timing
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 - Focus on Total Quality Management
 - Cast/Dozer Push Overburden Removal
 - Project Excel
 - Drilling/Major Digger Steering Technology
 - PM Systems
 - Swarm Maintenance
 - Zero Loss Program
 - Proactive Environmental Planning
 - Concentration on Local Hiring
 - Interactive Training
 - HWM Potential
 - Numerous Kaizens
 - Shared Ownership
 - Partnerships

Brule Mine



Wolverine Mine



WHAT MAKES CONUMA UNIQUE

4. **PAYING IT FORWARD** – Responsibility/Honor



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WHAT MAKES CONUMA UNIQUE

4. PAYING IT FORWARD



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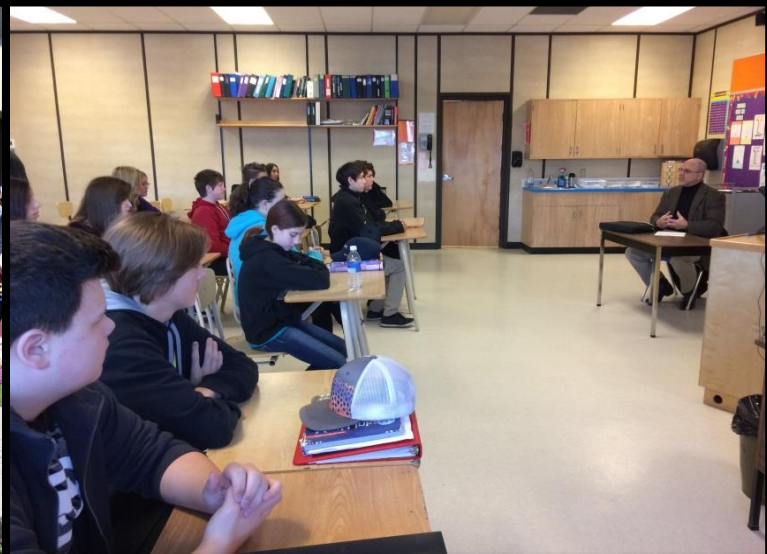
4. PAYING IT FORWARD



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WHAT MAKES CONUMA UNIQUE

4. PAYING IT FORWARD



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WHAT MAKES CONUMA UNIQUE?

4. PAYING IT FORWARD



FIRST NATIONS

WHAT MAKES CONUMA UNIQUE?

4. PAYING IT FORWARD



EXTENDED FAMILIES

ACHIEVEMENTS ACROSS THE BOARD

1 Safety Results

2 Employee Trust

3 Quality Applicants

4 Equipment Availability

5 Increased Production

6 Reduced Costs/Tonne

7 Improving Share Bonus

8 Job Security

9 Investor Interest

10 First Nations Relationship

11 Partnerships

ACHIEVEMENTS ACROSS THE BOARD

An awarding partnership between Industry, First Nations and the Environment

Twin Sisters Native Plants Nursery is meeting an established need in an existing market by supporting the improvement of restoration and reclamation work in Northeastern BC.

- Growing Sustainable Communities
- Restoring Earth's Ecological Balance
- Reclaiming Land for Future Generations



**TWIN
SISTERS**
NATIVE PLANTS
NURSERY

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11 Partnerships

12 Pay It Forward Stories & Support

Mayor's
Council
Award:

**“Walk
The Talk”**



CONUMA: BUILT ON A FIRM FOUNDATION

**We are an example of
Industry/Government/Community/First Nations
Collaboration**

*Thank you to all
of our partners*



***“On the right foundation
business is a win/win”***

***“Integrity in Character
Builds Integrity in Process”***